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U.S. Chamber Study Reveals Major Hurdles for Women & Minority Owned Business in Accessing Capital

WASHINGTON, D.C. – A United States Chamber of Commerce study on small business funding indicates that female and minority business owners continue to face obstacles in the crucial process of acquiring credit and capital for their ventures, a trend that spells trouble for the overall health of the U.S. economy.

“For our economy to flourish, we need successful small businesses across the board,” said Thomas J. Donohue, Chamber President and CEO. “This survey makes it clear that there is work to be done to ensure that all American small business owners get the resources they need to stay competitive.”

The survey of 1,080 participating business owners (56 percent were either women or minorities) was released to the public today during an event at the Chamber titled “Growing Your Business: It Takes Money to Make Money.”

The survey revealed that businesses owned by women and African Americans tend to be smaller operations and thus, have lower start-up costs than businesses by men. While Caucasian business owners rely largely on bank loans for initial and ongoing financing, 35 percent of minority owners made use of credit cards for similar funding, according to the survey. However, African American and Hispanics still listed the availability of credit as one of their top three business problems.

In addition, while a near consensus of respondents indicated that credit history is a major factor in obtaining credit, more than a third said they felt that financial institutions often don’t put enough stock in their business plan when considering financing options.

The U.S. Chamber of Commerce is the world’s largest business federation representing more than three million businesses of every size, sector and region.

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Editor’s Note: The executive summary for “Access to Capital: What Funding Sources Work for You?” is available online. /publications/reports/050524_fundingsources.htm